McGill University  
Department of Economics  

Microeconomic Theory (ECON230D1-002)  
Fall 2019  

Instructor Contact Information:  
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Office hours: Tuesdays & Thursdays 1:30pm-2:30pm; Wednesday 11:00-12:00 or by appointment.  

Regular classes:  
Times: MW 2:35-3:55PM  
Room: SADB M-1  

Teaching Assistants  
Chao Yang  
Office hours: TBA  
TA sessions: Wednesdays 8:30-9:30 LEA541  

Wenmei Tu  
Office hours: TBA  
TA sessions: Thursdays 6:05-6:55pm LEA520  

April Zuo  
Office hours: TBA  
TA sessions: Mondays 3:05-3:55pm LEA517  

Textbook and online homework package:  
Jeffrey M. Perloff: Microeconomics, Student Value Edition Plus MyEconLab with Pearson eText—Access Card Package  
The textbooks are available at McGill Bookstore  

The course id for MyEconlab: zhang79616  

Course Overview: This course is designed to provide the fundamental principles of microeconomic analysis. Topics include the behavior of consumers, the theory of production and cost curves, the theory of the firm, welfare economics, and the theory of general equilibrium. Students will learn to use techniques and methods, such as optimization to solve standard problems in microeconomic theory.  

Reading the Textbook: I recommend that you read the textbook before each lecture. After each chapter is completed in class, I will post slides on Mycourses. You are encouraged to work on the online homework package. Feel free to work in groups.
Supplementary Readings: I will supplement the textbook with several readings from newspapers, magazines or academic journals. Most of these will be available on Mycourses.

Course Evaluation:

Participation and attendance…………………10%
MyEconlab assignments……………………….10%
First Exam……………………………………10%
Second Exam…………………………………25%
Final examination ……………………………45%

Examinations: All examinations will be closed-note, closed book and will consist of multiple-choice questions, short-answer questions, and/or long-answer questions.

McGill University values academic integrity. Therefore, all students must understand the meaning and consequences of cheating, plagiarism and other academic offences under the Code of Student Conduct and Disciplinary Procedures (see www.mcgill.ca/students/srr/honest/ for more information).

In accord with McGill University’s Charter of Students’ Rights, students in this course have the right to submit in English or in French any written work that is to be graded.

ECON230 D1+D2 is a one-year course. Each semester contributes 50% to your final grade. The two semester grades will be averaged to arrive at the full-year grades.

There will be three exams.
The first exam is scheduled on Sept. 18th, 2019. It is in-class exam.

Note that the add/drop deadline is on Sept 17th, 2019 and the deadline for withdrawing from the course with FULL refund is Sept. 24th, 2019.

The second exam is scheduled on Oct. 23rd, 2019. It is in-class exam.

The deadline for withdrawing without refund is Oct. 29th 2019.

The final exam TBA

• In case of absence at the final exam for medical reasons, please refer to the
University regulations concerning final examinations.
• There is **NO makeup exam** for the first or second exams. In case of absence the first exam, 10% will go to the second exam; in case of absence the second exam with taking the first exam, 25% will go to the final exam; in case of missing both first and second exams, the final exam will make up 80% of your final grade for D1, which is 40% of your final grade for the course.

**Write Econ230 Section 2’s Exams if and only if you are registered in Section 2.** Otherwise your answers will not be graded, and you will receive 0 as the score for your exams. You will have to take the exam during the period for deferred and supplemental exams that is decided by the Arts faculty.

**Supplemental Exam:** There is one supplemental exam for this one-year course (will be held in August 2020). It is comprehensive: the material tested in the supplemental exams covers **BOTH** semesters (the material from 230D1 will be worth 50% and the material from 230D2 will be worth 50%).

**Assignments:** There be one assignment from MyEconlab for each chapter. We will have 10 assignments in total for the Fall semester. There will be a due date for each assignment.

**Attendance:** Attendance and participation are worth 10% of your final grade. I will take attendance at every class. There will be 26 lectures. You will earn 1 point each time you attend class (except the exam dates), for a maximum of 20 points. Therefore, you could miss a few classes without affecting your attendance score.

**Course Outline**

**Part A: The Basics**

**Section 1. Review of Mathematics**

Topics include:
- Linear Algebra
- Graphing the linear equation
- Optimization
- Optimization with Equality Constraints

**Section 2. Demand and Supply**

Topics Include:
• demand
• supply
• market equilibrium
• in-class experiment: The Apple Market
• elasticity
• price floors and price ceilings
• in-class experiment: rent controls

Readings:
   Perloff  Chapter 2 & 3

Part B: Consumer Behavior

Section 3. Consumer Behavior

Topics Include:
   • budget constraint
   • preferences
   • utility
   • choice
   • consumer’s surplus
   • market demand and equilibrium

Readings:
   Perloff  Chapter 4 & 5

Part C: Producer Theory

Section 4. Producers Behavior

Topics Include:
   • technology
   • profit maximization
   • cost minimization and cost curves
   • In-Class experiment: Open a restaurant
   • firm supply

Readings:
   Perloff  Chapter 6 & 7

Section 5. Market Structure

Topics Include:
• competitive firms and markets
• properties and applications of the competitive model

Readings:
Perloff Chapter 8 & 9

Section 6. Competitive General Equilibrium

Topics Include:
• general equilibrium
• trading between two people

Readings:
Perloff Chapter 10

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